

**UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF OKLAHOMA**

**In re Farmers Insurance Co., Inc.,  
FCRA Litigation**

**The Honorable Stephen P. Friot**

} Western Dist. Case No. CIV-03-158-F  
MDL No. 1564

} **This Document Relates to Corl,  
Watts & Mobbs**

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**DECLARATION OF LYNNE WEHMUELLER IN SUPPORT OF DEFENDANTS'  
RESPONSE TO PLAINTIFFS' MOTION FOR ORDER TO PRODUCE CLASS  
INFORMATION AND REQUEST FOR TELEPHONIC STATUS CONFERENCE**

I, Lynne Wehmueler, declare as follows:

1. My name is Lynne Wehmueler. I am over 18 years of age. I am of sound mind and am competent to make this sworn statement. I have personal knowledge of and am personally acquainted with the facts stated herein.

2. I have been employed by Farmers Group, Inc. ("FGI") in an actuarial capacity since November 1988. I am currently the lead actuary for property personal lines of business for California, Washington, Utah, Oregon, Nevada and Idaho. I am a member of the Casualty Actuarial Society, a Member of the American Academy of Actuaries, and in 2006 became a Fellow of the Casualty Actuarial Society.

3. I am a member of the actuarial team assigned to assist Defendants (“Farmers”) in producing a class list consistent with the Court’s Class Order (Dkt. No. 965). Under the Class Order, Farmers is required to calculate the premium-weighted average FARA or FPRA discount factors in a given state at implementation and at the effective date of any changes, and use those factors in analyzing whether a new-business insured had an “adverse action” in the pricing of his or her first premium charge. Farmers is required to use a derivative of these premium-weighted average FARA or FPRA factors (the “base rate offset”) in order to determine if transition-renewal premium increases were caused, in part, by an insured’s FARA or FPRA factor. The actuarial team is supporting this project by calculating these premium-weighted average FARA and FPRA factors and base rate offsets used during the Class Period.

4. The premium-weighted average FARA and FPRA factors (and derivative base rate offsets) vary by company, by state, by policy type and may differ over time. The Class Order applies to insureds of four carriers (Farmers Insurance Company, Inc., Farmers Insurance Exchange, Fire Insurance Exchange and Mid-Century Insurance Company) that issue automobile and homeowners policies in 26 states. Accordingly, Farmers must calculate a premium-weighted average FARA or FPRA discount for each company in each state in which it issued policies. For some states, this requires multiple calculations during the Class Period. For example, in Arkansas, Farmers Insurance Company, Inc. used three different sets of FARA factors and one set of FPRA factors during the class period, requiring calculation of four separate premium-weighted average FARA and FPRA factors for this state and company alone. Similarly, in Illinois, Farmers

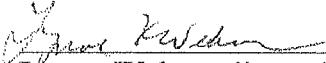
Insurance Exchange used five different sets of FPRA factors during the Class Period, requiring calculation of five different “neutral” scores. In total, Farmer must calculate 216 different premium-weighted average FARA and FPRA factors.

5. For some states, Farmers has historical rate filings that reflect information from which the premium-weighted average FARA or FPRA factor can be derived. To date, Farmers has calculated the “neutral” score for 103 of the 216 variations during the Class Period. For many of the remaining factors, however, Farmers cannot locate historical rate filings reflecting the distribution of premiums across FARA or FPRA factors. If documentation is not found, Farmers will need to attempt to reconstruct this information by querying its policy databases to recreate the historical premium spread across FARA and FPRA factors at the various effective dates. I understand from Farmers’ Information Technology group (“IT”) that these queries are time-consuming and difficult to perform and we may still have gaps in the available data. My team is still assessing the number of premium-weighted average FARA and FPRA factors that may need to be reconstructed by IT. We expect to complete that analysis by November 1, 2010. At that point, IT can estimate the time required to complete the queries.

6. Once we have the required information and/or any subset of information IT is able to provide, I estimate it will take my team up to four weeks to calculate the remaining premium-weighted average FARA and FPRA factors, which will be used in determining which of the millions of transactions during the Class Period were an “adverse action” within the meaning of the Class Order.

I declare under penalty of perjury under the laws of the United States of America  
that the foregoing is true and correct.

Executed at Los Angeles, California this 25th day of October 2010.



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Lynne Wehmueller, FCAS, MAAA

**CERTIFICATE OF SERVICE**

I hereby certify that I served the foregoing **DECLARATION OF LYNNE WEHMUELLER IN SUPPORT OF DEFENDANTS' RESPONSE TO PLAINTIFFS' MOTION FOR ORDER TO PRODUCE CLASS INFORMATION AND REQUEST FOR TELEPHONIC STATUS CONFERENCE** on the following named person(s) on the date indicated below by electronic service, via the ECF System for the U.S. District Court for the Western District of Oklahoma, to said person(s) at his or her last-known address(es) indicated below.

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Plaintiffs' Co-Lead Counsel

DATED: October 25, 2010.

/s/ Timothy W. Snider

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